



# State of Housing 2026

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# MHP Areas of Focus



Research | Policy | Community Development

MHP drives innovative housing solutions through original research, strengthens local community development efforts nationwide, and advocates for policies that ensure everyone has a place to call home.



## Community Development

Technical assistance and capacity-building from coast to coast, focusing on rural and Native communities.




## Research and Publications

Using a data-driven approach to research housing need, disparities, and solutions for lasting impact.



## Public Policy

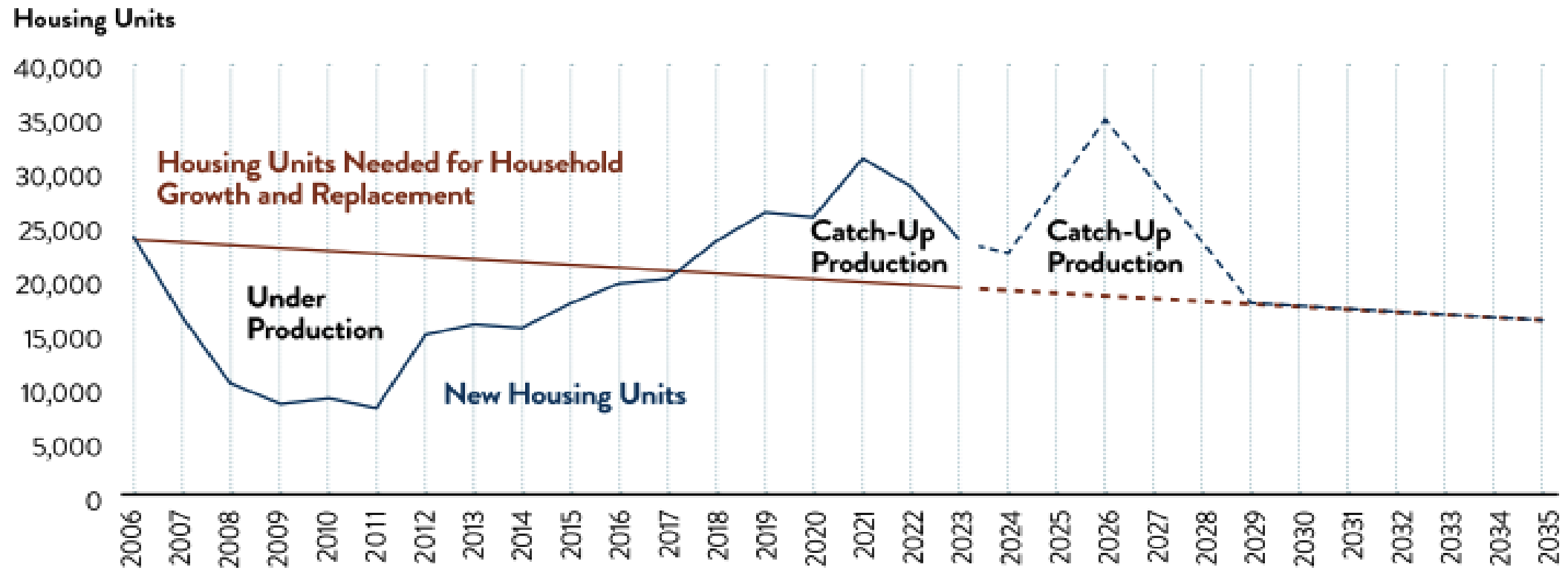
Advocating for housing investment and equitable allocation of resources at the federal, state, and local levels.



**Minnesota needs more  
housing, of every type,  
in every corner of the  
state.**

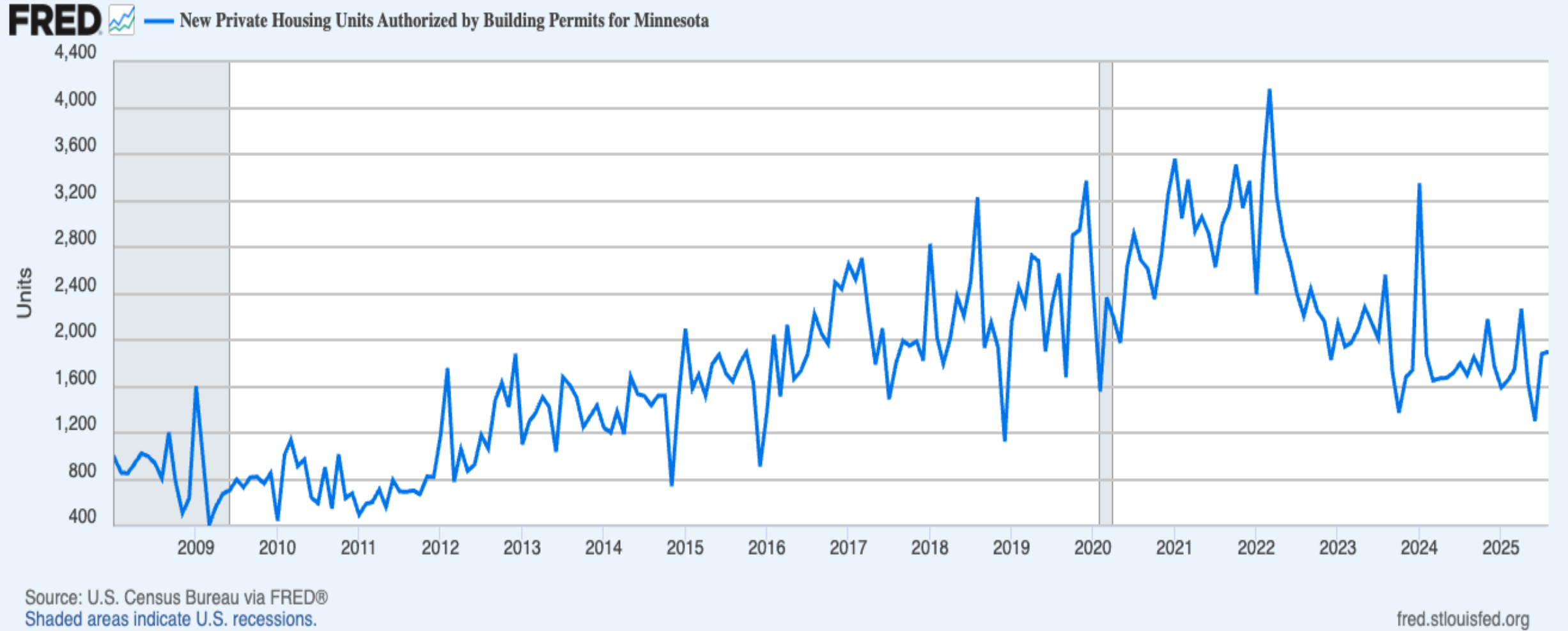
# There Are Not Enough Homes

## The State has Fallen Behind on Creating New Homes



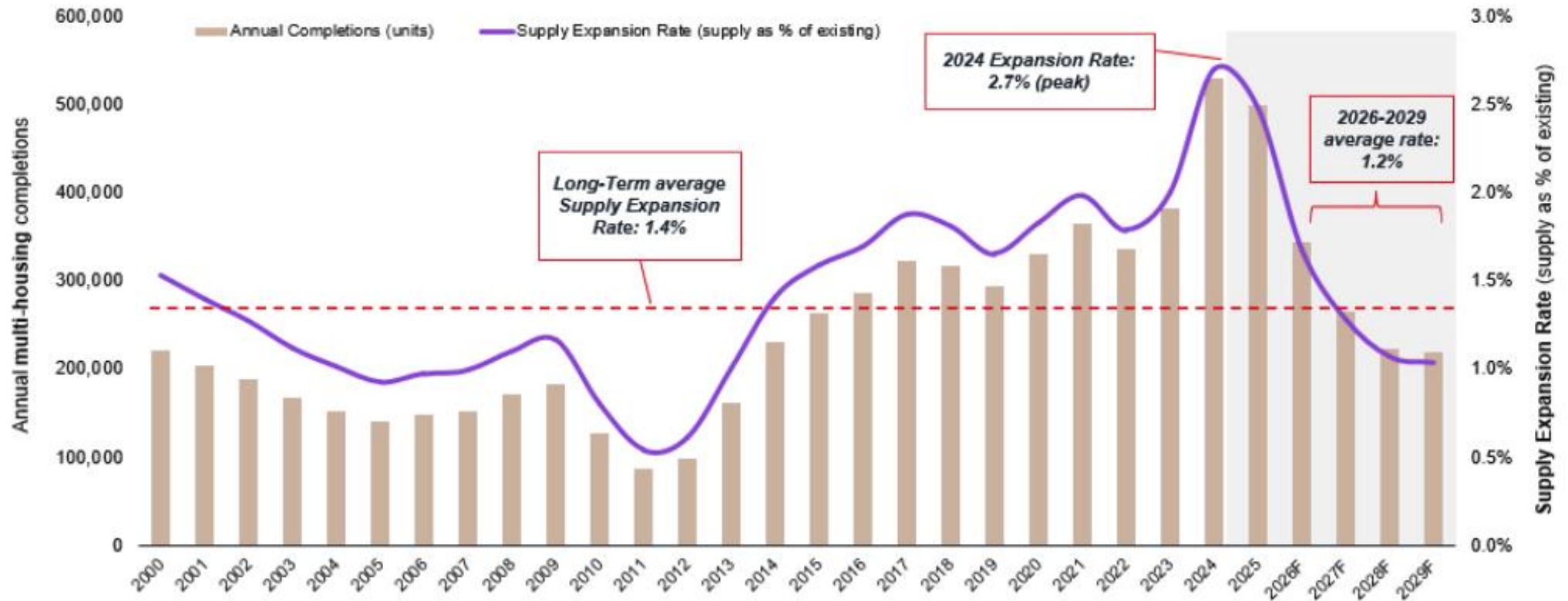
Source: Minnesota Housing modeling based on data from a wide range of sources, including the Minnesota Demographers Office, the U.S. Census Bureau's American Community Survey, Marquette Advisors, CoStar and HUD.

# Building Permits Trending Down: *Leading Indicator*



# Apartment Supply Outlook Slowing Precipitously

Long-term U.S. apartment supply picture: new supply has peaked with expansion rate slowing precipitously in 2026



# MN Has Goals For More Housing.....



**State of Minnesota goal:**

**300,000 new homes by 2030**

**Met Council 7-county goal:**

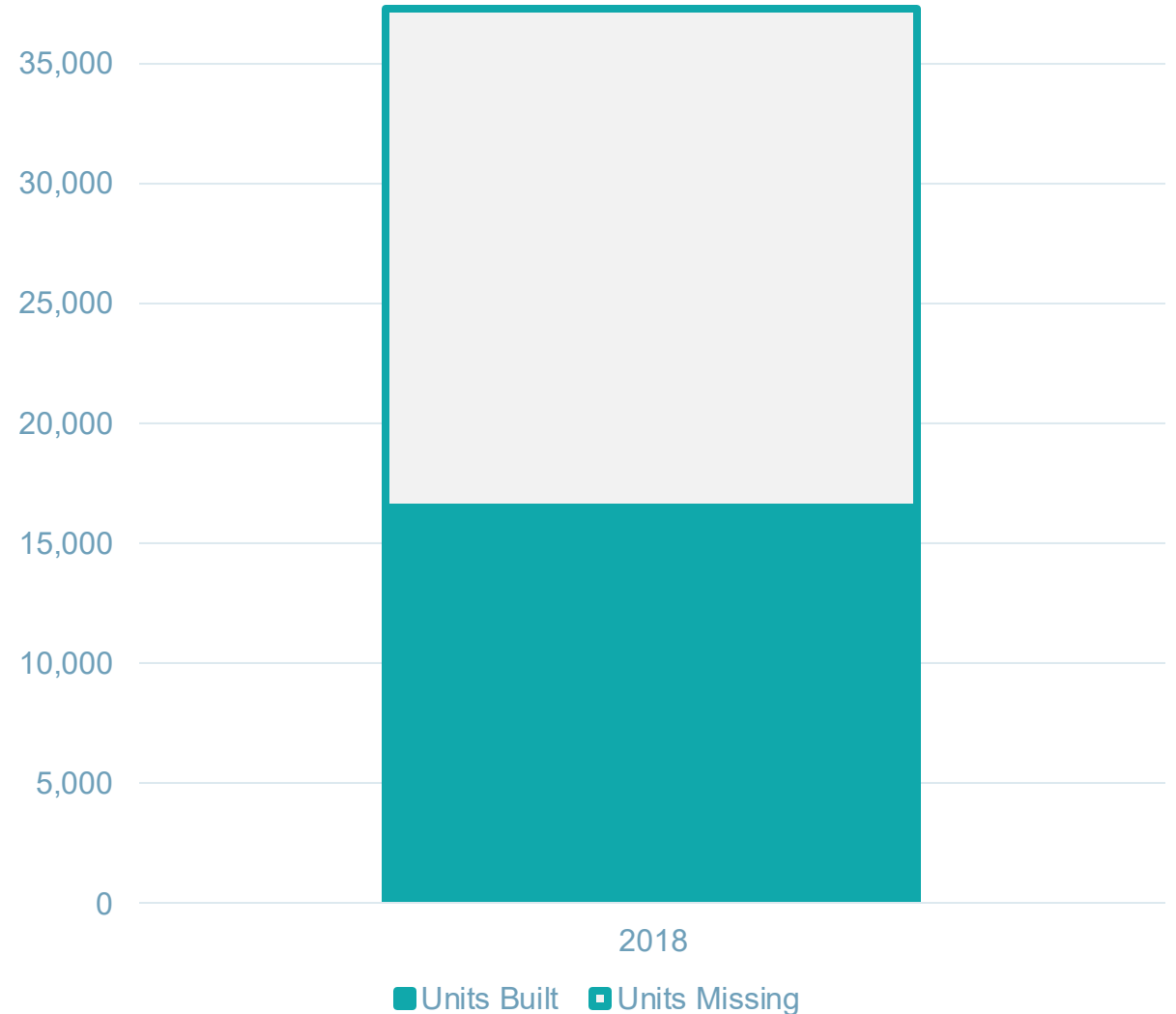
**36,000 new homes by 2011-2020**

# Minnesota Is NOT Meeting These Housing Goals...

In the past decade, the Met Council met only 44% of its affordable housing goal.

*Goal of 36,000 units yet only 16,000 created = 20,000-unit shortfall*

*\*\*\*In 2010-2020 period*



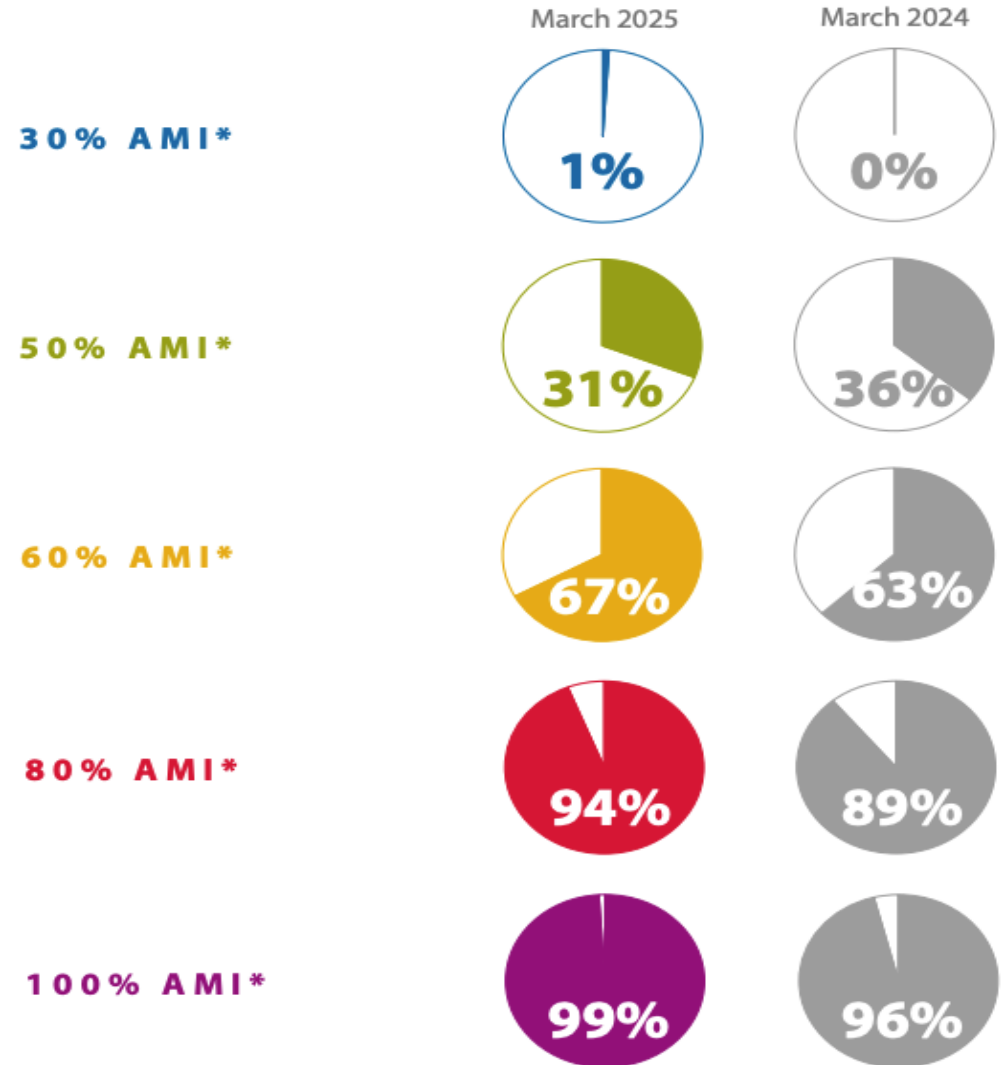
# We Need More Homes – *scarcity of supply reduces choice*

**Especially for families with lower incomes**



Source: Housing Link March 2025

## % of Minneapolis Rental Vacancies Affordable by Income Level<sup>1</sup>

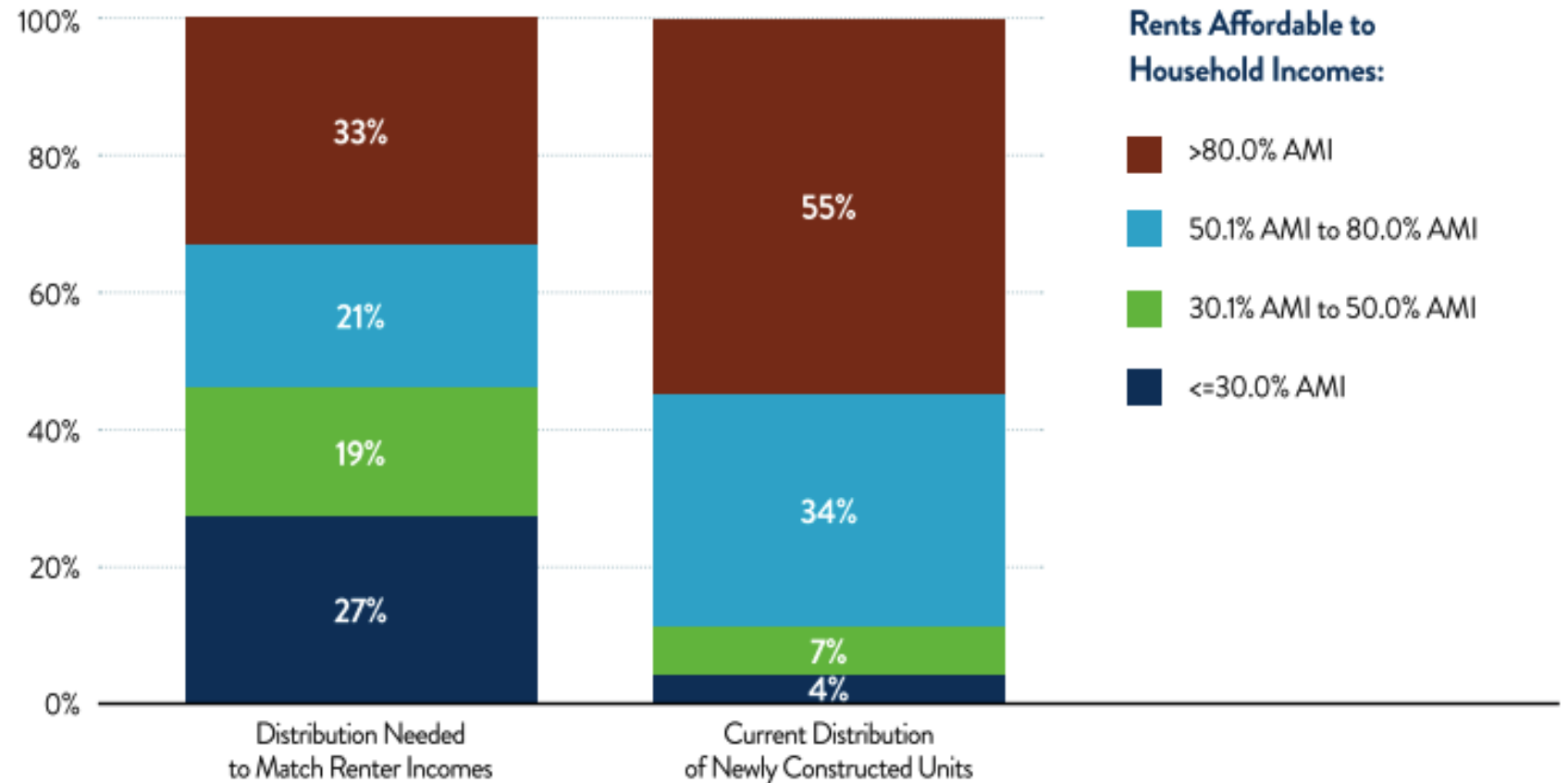


# Home Production Mismatch in Minnesota

There is a severe mismatch between market supply and market demand.

Production of new units is skewed toward higher incomes.

Source: MN Housing 2025



Source: Minnesota Housing analysis based on data from the Met. Council (2022-2023 construction) and of HUD's 2017-2021 CHAS (Comprehensive Housing Affordability Strategy) data.

# Affordable & Available Homes Per 100 Renter Households

There are only 39 rental homes affordable and available for every 100 extremely low-income Minnesotan households

Source: NLIHC Gap Report 2024



AT OR BELOW 100% AREA  
MEDIAN INCOME

103

AT OR BELOW 80% AREA  
MEDIAN INCOME

99

AT OR BELOW 50% AREA  
MEDIAN INCOME

71

AT OR BELOW EXTREMELY  
LOW INCOME

39

# Rental Assistance Can Bridge the Gap Between What Housing Costs and What Families Can Afford



101,000

Minnesota households—home to

178,000

people—use rental assistance.<sup>1</sup>



55%

families  
with children

Recipients include:<sup>3</sup>



28%

households with  
a person with  
a disability



19%

seniors

# There Is a Rental Assistance Shortage

**3 out of 4 households that are eligible for rental assistance  
DON'T receive it**



Meanwhile ALL eligible homeowners receive a subsidy through the mortgage interest deduction

With government programs critically underfunded, there isn't enough assistance to meet the need of Minnesotans.

# Housing Costs Are Rising Faster Than Income

## 2026 STATE HOUSING PROFILE

# Minnesota

2,363,442 Households

HOMEOWNER HOUSEHOLDS  
1,692,435 | 72% of households



RENTER HOUSEHOLDS  
671,007 | 28% of households



### INCOME AND HOUSING COSTS: RECENT AND LONGER-TERM CHANGE

#### 1-Year: 2023-'24

Owner income: **+4%** to \$106,299

Home values: **+5%** to \$344,600

#### 5-Year: 2019-'24

Owner income: **-4%**

Home values: **+14%**

#### 1-Year

Renter income: **+3%** to \$51,712

Rent: **+2%** to \$1,291

#### 5-Year

Income: **0%**/stayed constant

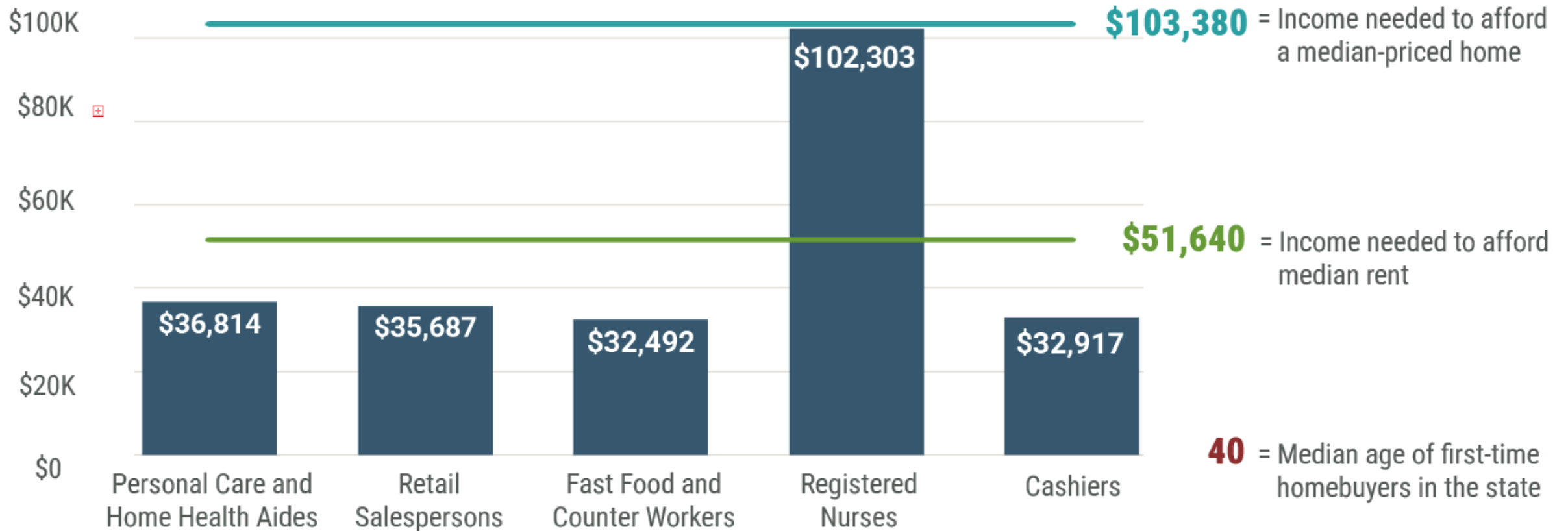
Rent: **+3%**

2024 Data

Figures denote the median. Rent and home value increases are adjusted for inflation.

# The Cost of Home Is Out of Reach For Hard-Working Minnesotans

## EARNINGS IN MINNESOTA'S HIGHEST-DEMAND JOBS COMPARED TO HOUSING COSTS

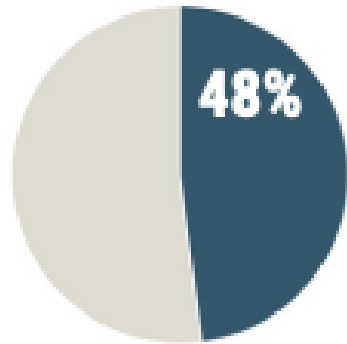


Source: MHP, 2026 State Housing Profile. 2024 Data

# Rent Burden in Minnesota

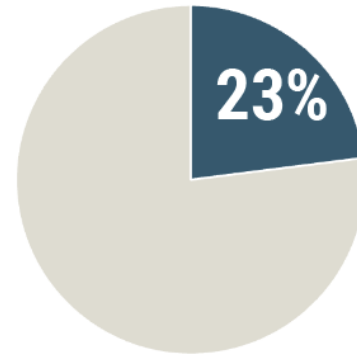
**COST-BURDEN RATES BY HOUSEHOLD TYPES**  
There are **643,332** cost-burdened Minnesotans (27% of all residents).

### Renters with Cost Burden



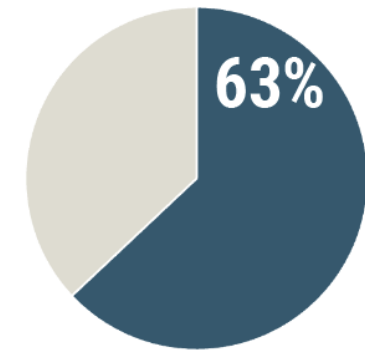
**301,298**  
renters are cost-burdened  
(48% of all renters)

### Renters with Severe Cost Burden



**144,965**  
are cost burdened  
– 23% of all renters with  
severe cost burden

### Senior Renters

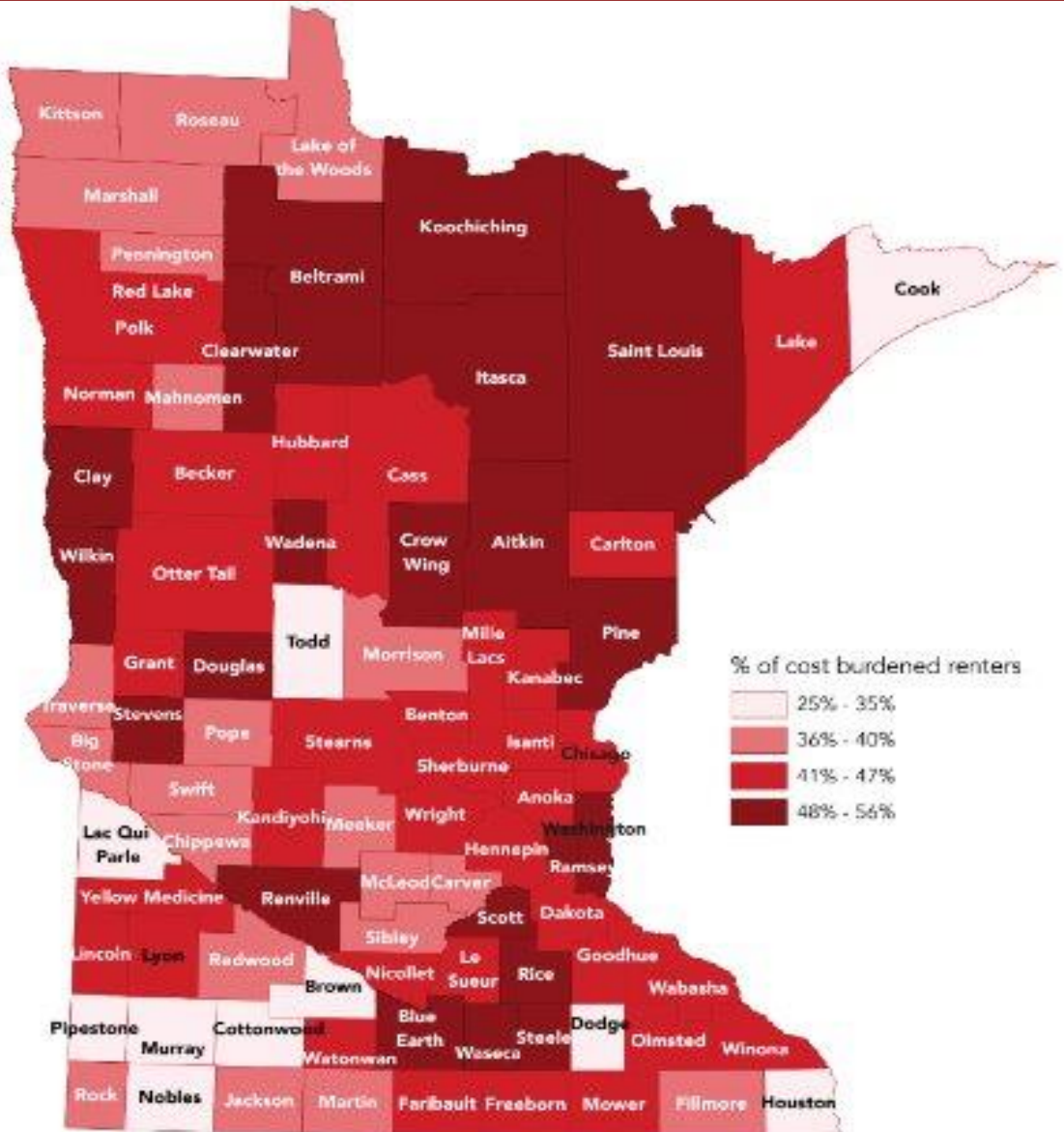


**77,313**  
are cost burdened  
– 63% of all senior renters

# Housing Cost Burden In Every Corner of MN

**Impacts of the lack of supply of housing, together with wages not keeping up:**

*People pay more than they can afford to maintain their housing.*

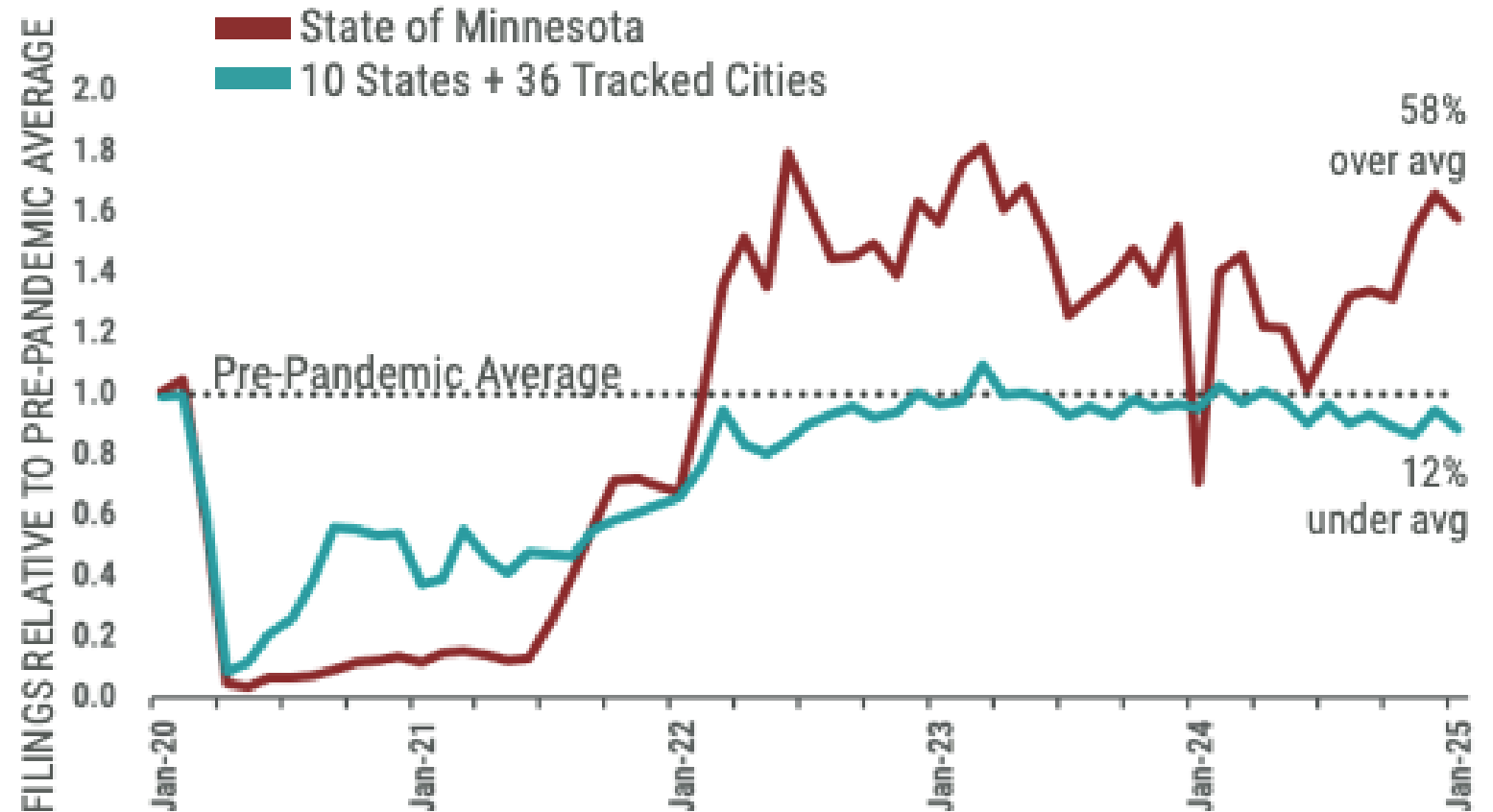


# Evictions Continue to Rise and Uproot Families

Eviction filings have surged **50%** to 25,252 from the pre-Covid average of 16,835.



## MN Eviction Filings Rate vs. Other areas (5-yr Trend)



The pre-pandemic average (2012-2019) as compared to the most recent year of available data (September 2023-August 2024).

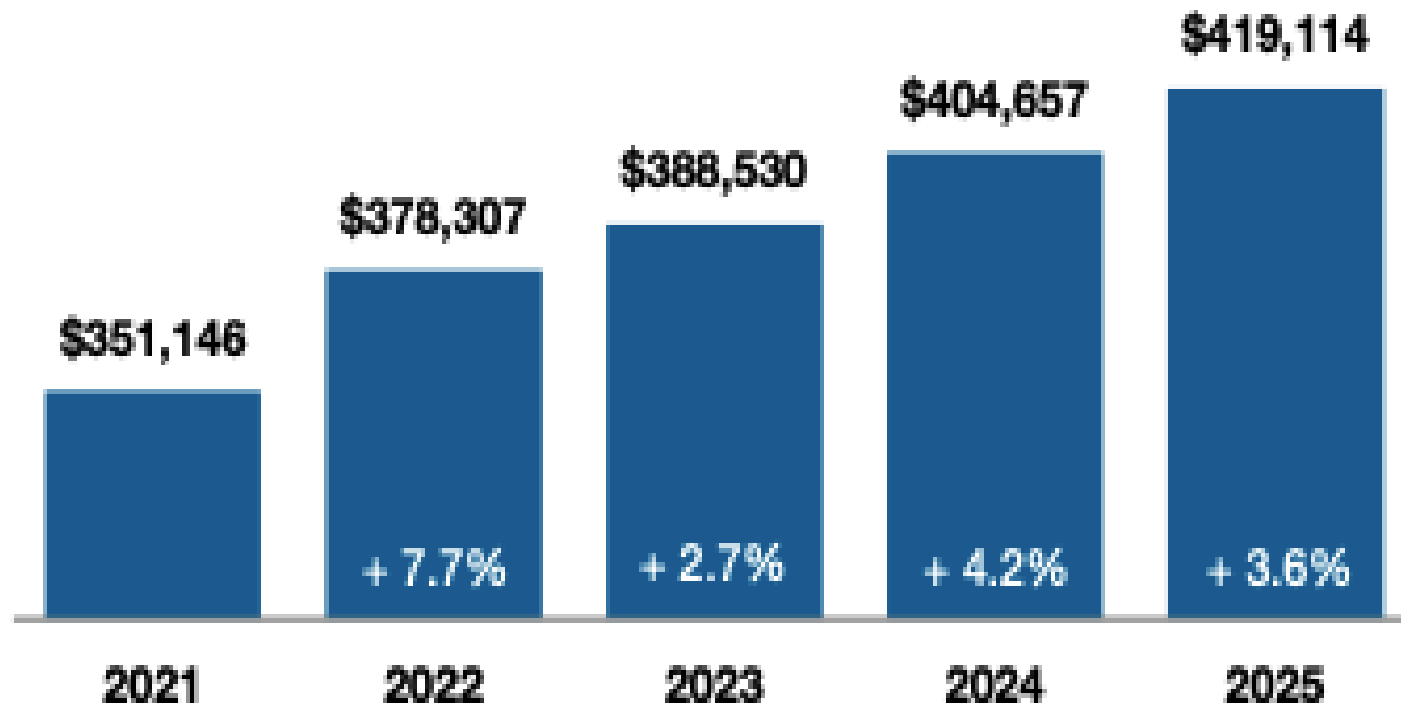
[mhponline.org](http://mhponline.org)

# Homeownership Increasingly Out of Reach: Average Sales Price now \$419,114

2025 Annual Report on the Minnesota Housing Market

## Quick Facts

### Average Sales Price

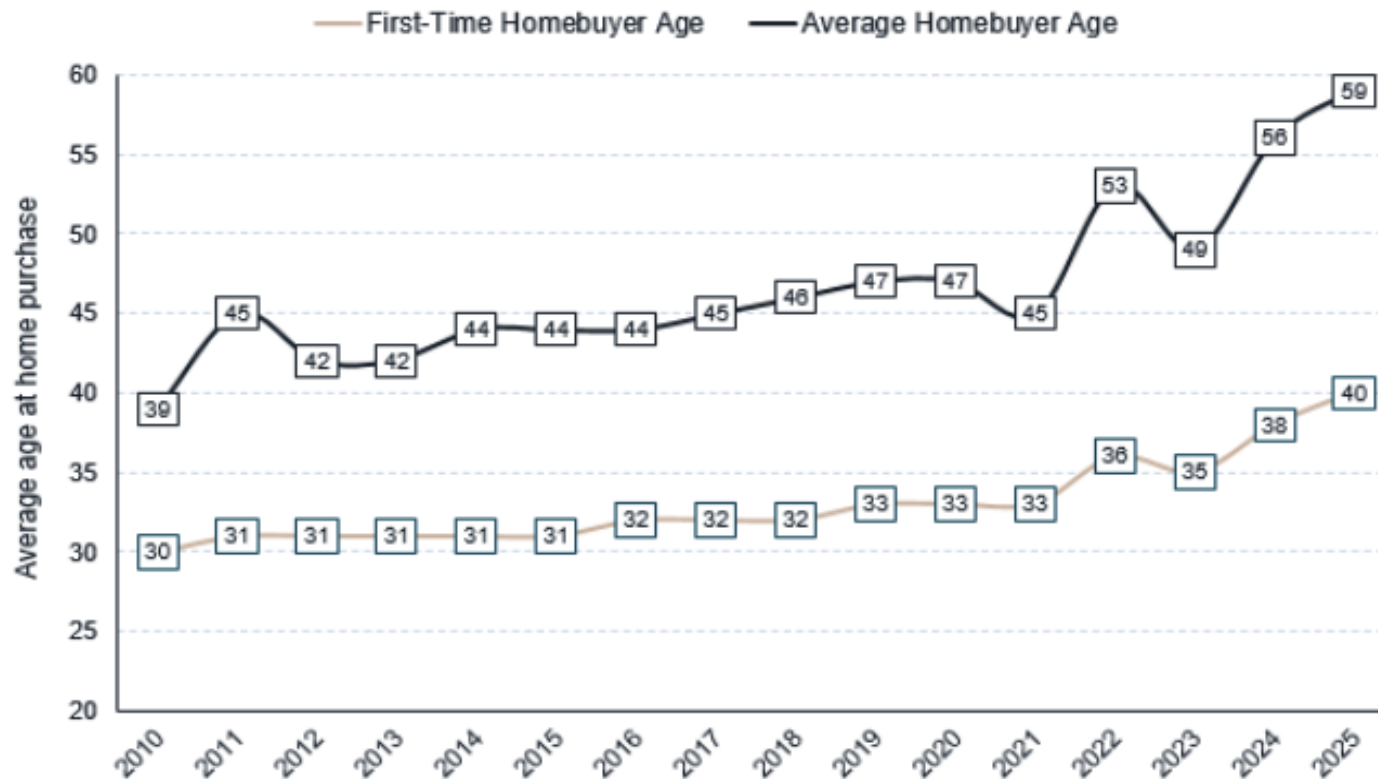


Source:



# Homeownership Increasingly Out of Reach: 1st time buyers average age now 40 years old

The average age of the first-time homebuyer in the United States has increased dramatically in the past decade

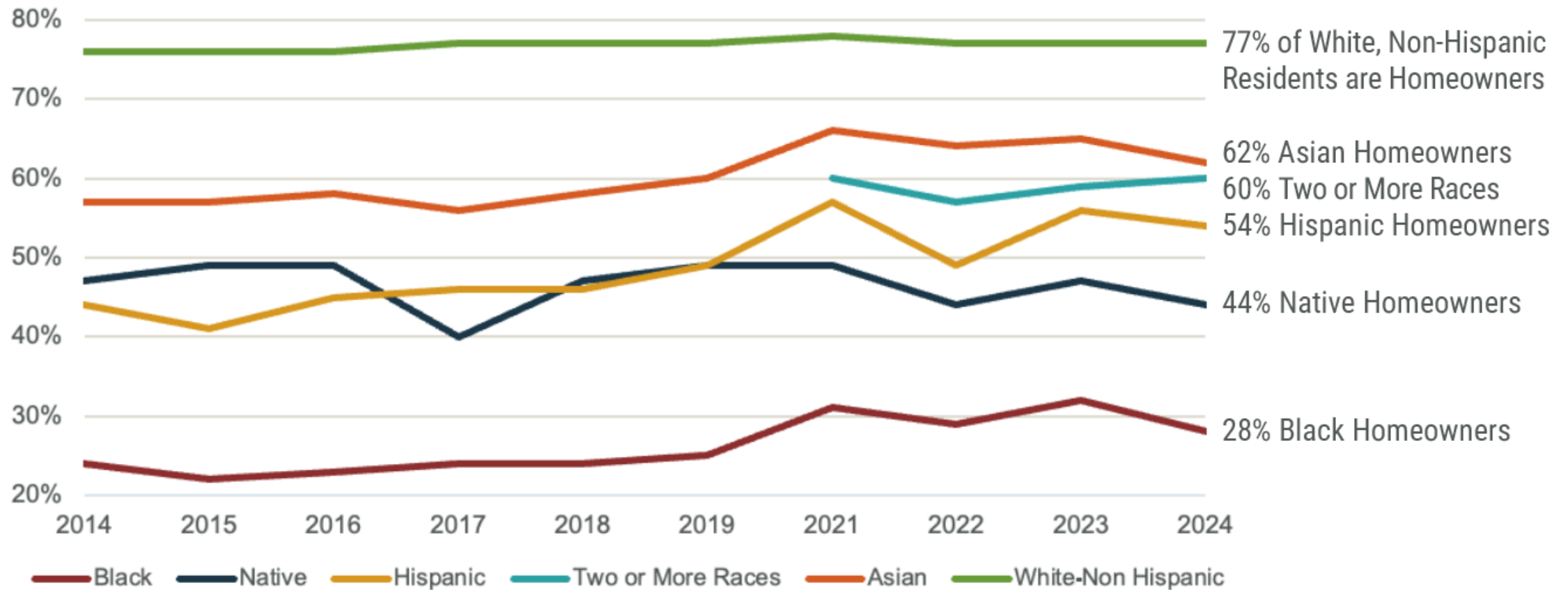


The average age of the first-time U.S. homebuyer has increased from 33 in 2020 to 40 today, significantly boosting rental market absorption

The share of renters expecting to rent for 5+ years has doubled in the past 14 years – to 30% of renters today

# Racial Disparities in Homeownership

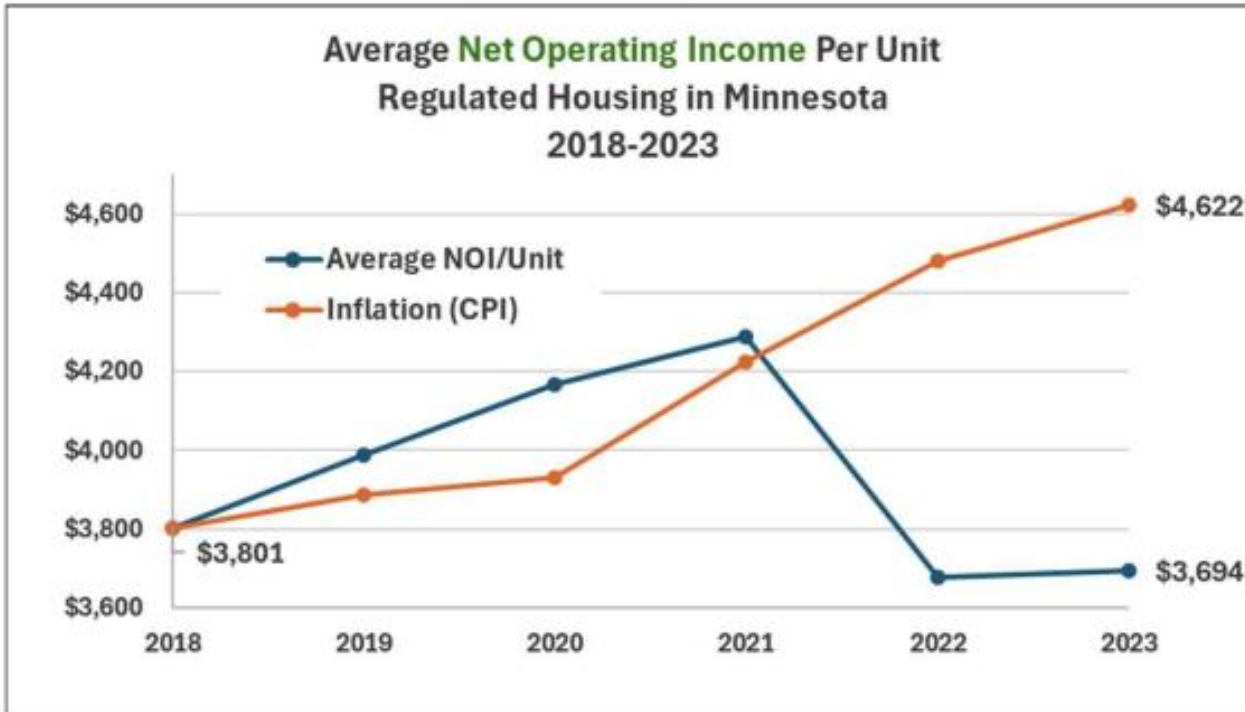
## HOMEOWNERSHIP RATES BY RACE OVER 10 YEARS



2020 is not included because of known data quality issues with the 2020 Census.

\*(non-Hispanic white)

# Costs to Sustain and Operate Housing Are Increasing



For the two years of negative NOI in 2022 and 2023 of nearly \$1,000/unit/year, applied to only the 26,000 units analyzed in this report, **the loss totals roughly \$52,000,000** in resources to these properties and provider organizations.

Source: Distressed Property Data  
Project, Housing Stability Coalition 2025



## Minnesota Homeowners Insurance Costs, 2017-2023



**+39%**

Increase since  
2017



**+15%**

Rise in 2023  
alone



**12th**

in the U.S. in  
premium cost

Source: Federal Reserve Bank of Minneapolis, [minneapolisfed.org/article/2024/homeowners-insurance-costs-are-growing-fast-but-coverage-is-shrinking](https://minneapolisfed.org/article/2024/homeowners-insurance-costs-are-growing-fast-but-coverage-is-shrinking), <https://www.startribune.com/minnesota-disaster-natural-la-wildfire-cost-insurance/601213718>.

# Housing Infrastructure Bonds: Targets lowest income households

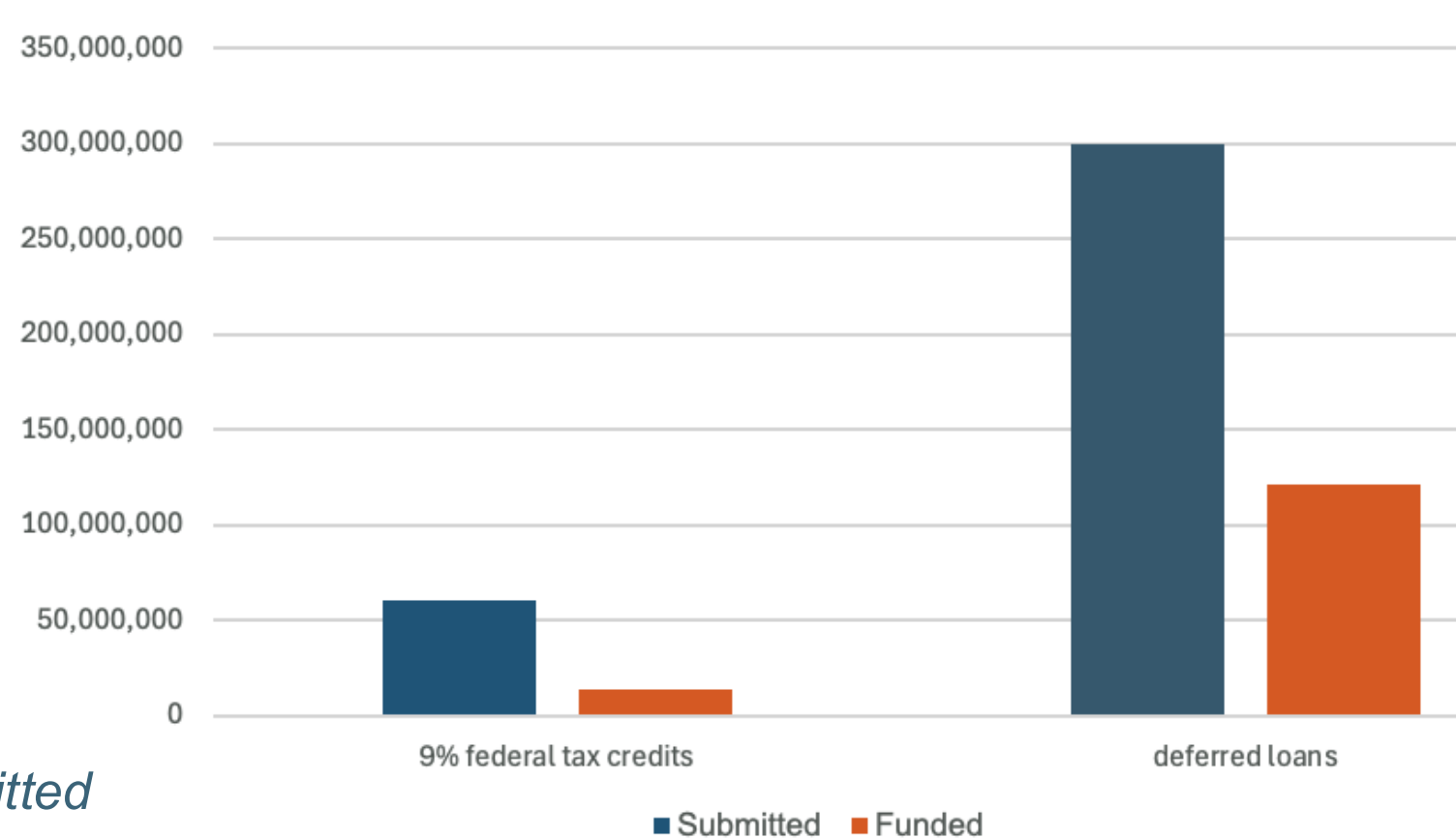
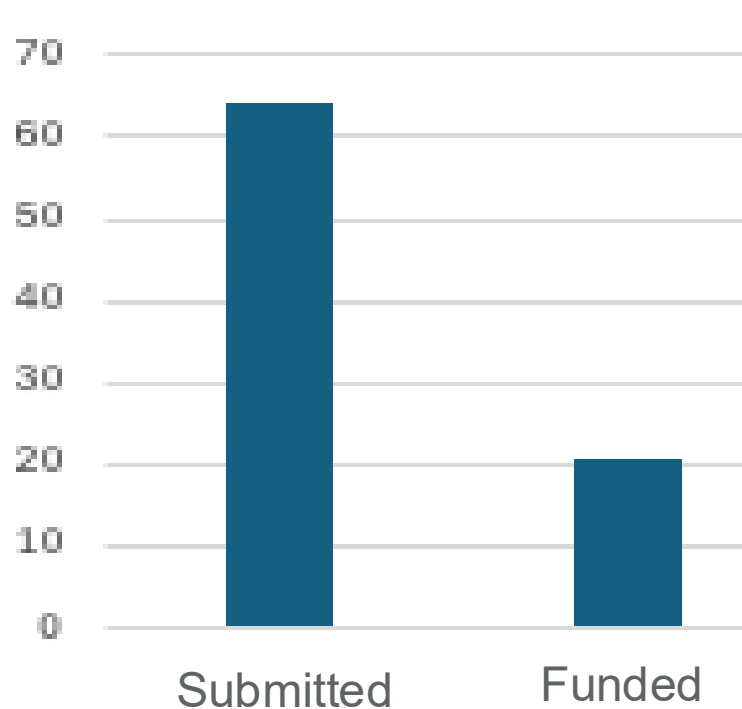
- Permanent supportive housing for individuals and families experiencing homelessness
- Affordable housing for seniors 55 and older
- Preservation of federally-assisted rental housing
- Foreclosed properties to be used for affordable rental housing
- Rent restricted properties with units affordable to households at 50% of the area median income



**Since 2012, with more than \$800 million in authorized funding, HIBs have been used to build or preserve more than 7,000 homes across Minnesota**

# Capacity to Produce Homes Exceeds State Resources: Minnesota Housing Consolidated RFP 2024 Data

## Multifamily Funding Applications 2024 Super RFP



*\*104 letters of intent to apply submitted  
v. 64 full applications submitted*

# Housing investments not matching need

**2,300**  
Additional Rental  
Units Affordable  
at 30% of AMI  
Annually  
Produced  
(Increase annual production  
from 400 to 2,700)



**\$350,000**  
Subsidy  
per Unit



**\$805  
Million  
Annually**  
(at a minimum)

**100,000**  
Housing  
Units Being  
Rehabilitated



**\$50,000**  
per Unit in  
Rehabilitation  
Costs



**\$5  
Billion**  
or \$500 Million  
Annually if  
Spread Over  
10 years

**213,000**  
Renter  
Households  
in Minnesota  
with Incomes  
<= 50% of AMI  
and Are Cost  
Burdened



**\$10,000**  
Annual Rent  
Subsidy



**\$2.1  
Billion  
Annually**

Predictable,  
dedicated housing  
funding needed

# Dedicated, Predictable Funding for Housing Needed

## State Housing Tax Credit Contribution Fund

- \$9.9M available per year for six years
- Wildly popular – more demand than credits
- But... sunsets in 2028 if not extended by legislature

2026 SHTC applications opened on 2/17/26 and closed within hours due to more demand than available credits.



## Our Future Starts at Home:

- Dedicated, predictable funding for housing
- Constitutional Amendment
- [House File 3279](#)
- [Senate File 2621](#)



**OUR FUTURE  
STARTS AT HOME**



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<https://mhponline.org/2024-legislative-district-profiles/>